

## SENATE BILL NO. 12

INTRODUCED BY L. NELSON

A BILL FOR AN ACT ENTITLED: "AN ACT ~~PROVIDING THAT AN INDIVIDUAL IS NOT CIVILLY LIABLE FOR~~  
~~THE GOOD FAITH REPORTING OF SUSPECTED FRAUDULENT OR CRIMINAL ACTIVITY TO A~~  
~~GOVERNMENTAL ENTITY~~; PROVIDING FOR A PRESUMPTION OF GOOD FAITH WHEN A PERSON  
REPORTS OR PROVIDES TO THE DEPARTMENT OF LABOR AND INDUSTRY INFORMATION RELATING TO  
SUSPECTED FRAUDULENT OR CRIMINAL ACTIVITY; AMENDING SECTION 39-71-106, MCA; AND  
PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~NEW SECTION. Section 1. No liability for reporting suspected fraudulent or criminal activity. (1)~~  
~~An individual may not be held liable for civil damages for reporting suspected fraudulent or criminal activity~~  
~~to a governmental entity if the governmental entity investigates the report and takes action against the~~  
~~individual or entity that is the subject of the report.~~  
~~(2) Subsection (1) does not prevent the filing of a criminal charge pursuant to Title 45, chapter~~  
~~7, part 2.~~

**Section 1.** Section 39-71-106, MCA, is amended to read:

**"39-71-106. No liability for reporting violation. (1)** A person, including but not limited to an insurer or an employer, may not be held liable for civil damages as a result of reporting in good faith information that the person believes proves a violation of the provisions of chapter 72 or this chapter.

~~(2) A report~~ THE REPORTING OR PROVIDING of information UNDER SUBSECTION (1) is presumed to be in  
good faith if the workers' compensation fraud investigation and prosecution office established in  
2-15-2015 investigates the report and takes action against the individual or entity that is the subject of  
the report. THE PRESUMPTION MAY BE OVERCOME BY A SHOWING THAT THE PERSON REPORTING OR PROVIDING THE  
INFORMATION WAS GROSSLY NEGLIGENT OR PROVIDED INFORMATION, KNOWING THE INFORMATION TO BE FALSE."

~~NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an~~

1 ~~integral part of Title 27, chapter 1, part 7, and the provisions of Title 27, chapter 1, part 7, apply to~~  
2 ~~{section 1}.~~

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4 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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6 NEW SECTION. **Section 3. Applicability.** [This act] applies to reports and to actions arising from  
7 reports made on or after [the effective date of this act].

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